



REPLY TO  
ATTENTION OF

**DEPARTMENT OF THE ARMY**  
**INSTALLATION MANAGEMENT AGENCY**  
2511 JEFFERSON DAVIS HIGHWAY  
ARLINGTON, VA 22202-3926

IMAH-HRD-C

**JUL 27 2006**

MEMORANDUM FOR ALL US Army Installation Management Agency Personnel

SUBJECT: US Army Installation Management Agency (IMA) Policy Memorandum #34,  
Repayment of Student Loans

1. REFERENCES:

- a. 5 USC Section 5379, Student Loan Repayments.
- b. 5 CFR, Part 537, Repayment of Student Loans.
- c. Memorandum, Under Secretary of Defense (P&R), 30 September 2004, subject: Department of Defense (DoD) Student Loan Repayment Program.
- d. Memorandum, G-1 (CPP), March 22, 2005, subject: Department of Defense (DoD) Student Loan Repayment Program.
- e. DoD 7000.14-R, Volume 8, Financial Management Regulation, 29 August 1999.

2. PURPOSE. To supplement DoD and DA policy, to re-delegate approval authority, and to provide IMA processing procedures for the administration and repayment of student loans.

3. APPLICABILITY. This policy applies to all personnel (US citizen and non US citizen) employed in IMA appropriated and nonappropriated fund positions, excluding non-citizens in nonappropriated fund Local National/Host Nation/Component Commander Employment System. This memorandum supersedes IMA policy memorandum #34, July 30, 2004.

4. POLICY.

a. The repayment of student loans is not an employee entitlement. The repayment of student loans is a discretionary recruitment and retention tool available to managers. It may be offered as an incentive to recruit highly qualified applicants, or to retain highly skilled employees in hard to fill positions. The Region Directors are delegated the authority to approve the repayment of student loans for employees in their Region. Region Directors may re-delegate the authority to Garrison Commanders. Garrison Commanders may not re-delegate the authority.

IMAH-HRD-C

SUBJECT: US Army Installation Management Agency (IMA) Policy Memorandum #34,  
Repayment of Student Loans

b. Where provisions of this policy differ from the provisions of a written agreement between the installation/serviced organization and an exclusive bargaining unit, the provisions of the agreement apply to employees subject to the agreement.

## 5. PROCEDURES.

a. The repayment authority is limited to student loans authorized by the Higher Education Act of 1965 and the Public Health Service Act. These are Federally-insured loans made by educational institutions or banks and other private lenders. The Higher Education Act covers guaranteed student loan programs such as:

- Stafford Loans (subsidized, unsubsidized, Direct subsidized, and Direct unsubsidized)
- Plus Loans (Federal and Direct Federal)
- Federal Consolidation Loans (Direct subsidized and Direct unsubsidized)
- Defense Loans (made before July 1, 1972)
- National Direct Student Loans (made between 7/1/72 and 7/1/87); and
- Perkins Loans

Loans covered under the Public Health Service Act include:

- Nursing Student Loan Program
- Health Profession Student Loan Program; and
- Health Education Assistance Loan Program

b. Reference 1b provides eligibility criteria for the repayment of student loans. The approving official will document in writing that, in the absence of student loan repayment, the employing activity would encounter difficulty in filling the position or retaining the employee in that position. Determinations for recruitment must be made before the employee enters on duty. Determinations for retention must be made on the special need of the employing activity for the employee's services and qualifications and, in the absence of offering loan repayments, an assessment that the employee would be likely to leave the Federal service. Justifications for student loan repayment for retention purposes will include the employee's offer of employment from outside the Federal service. When identifying eligible employees to be recipients, the employing activity shall consider both equitable treatment and diversity of the workforce.

c. The employee or applicant selected to receive repayment of student loans under this program must sign a service agreement with the employing activity to remain with the organization for a minimum period of 3 years. The service agreement covers the

IMAH-HRD-C

SUBJECT: US Army Installation Management Agency (IMA) Policy Memorandum #34,  
Repayment of Student Loans

total loan amount paid. A new service agreement is not necessary for each annual payment. However, with each payment, the employee must provide the supervisor with documentation from the lending institution that shows the current outstanding loan balance (within the previous 30 days) and certifies that the employee made any required payments during the previous year.

d. Prior to authorizing loan repayments, the official must verify that the employee has a qualifying outstanding student loan or loans. The employing activity may repay more than one loan as long as the payments do not exceed the legally prescribed limits. Employees who do not complete periods of service under the terms of service agreement are subject to the debt collection process as outlined in reference e. The employing activity may waive the recovery of an employee's debt, in whole or in part, if the recovery would be against equity and good conscience, or against the public interest.

e. Documentation for student loan repayments will be submitted to the Garrison Resource Manager and to the activity's Customer Service Representative (CSR). The CSR will forward to the appropriate Defense Finance and Accounting Service (DFAS). DFAS will make payments to the lender on a biweekly basis. The loan repayment amount will be considered as taxable wages and will include tax withholding. The employing activity is not responsible for any late fees or penalties assessed by the loan holder(s) prior to, during, or subsequent to this agreement.

f. During the service agreement period, an employee is not eligible for continued benefits if he/she:

(1) Leaves the Federal service.

(2) Does not maintain an acceptable level of performance.

(3) Fails to make loan repayments on the portion of the loan that continues to be his/her responsibility.

(4) Violates any conditions of the service agreement.

g. Director, IMA, Region Directors, and Garrison Commanders will:

(1) Review and approve requests for the repayment of student loans.

IMAH-HRD-C

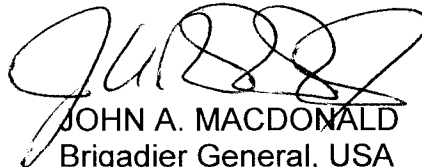
SUBJECT: US Army Installation Management Agency (IMA) Policy Memorandum #34,  
Repayment of Student Loans

(2) Fax a copy of the Continued Service Agreement for each approved loan repayment to 703-602-5445, DSN 332 ATTN: IMAH-HRD-C, and to the Region Human Resources Office.

(3) Employing activity will maintain appropriate records for reporting purposes.

h. HQIMA may request reports on specific aspects of program administration and program costs.

6. PROPONENT. The Human Resources Division is the proponent for this policy. POC is Chief, Staffing Section at commercial, 703-602-3319, DSN 332-3319.



JOHN A. MACDONALD  
Brigadier General, USA  
Director